

California Feed-in Tariff Issues & Options Survey (07/08/08)

1. Introduction

This survey will be used to elicit stakeholder feedback in response to the California Energy Commission's Feed-in Tariff Workshop, held on June 30th, 2008, and in response to (a) the Draft Consultant Report, *"Exploring Feed-in Tariffs for California: Feed-In Tariff Design and Implementation Issues and Options (CEC-300-2008-003-D)"*, prepared by KEMA, and (b) the *"Feed-in Tariffs for California, Design and Implementation Issues and Options"* PowerPoint presentation delivered by Bob Grace and Wilson Rickerson on June 30, 2008 at the Energy Commission's Feed-in Tariff Workshop. Both can be found at: <http://www.energy.ca.gov/portfolio/documents/index.html#063008>.

Each section of the survey corresponds to a section of the Report. Please note that the survey questions reference the corresponding Chapters where relevant.

This survey consists of 57 questions and will take roughly 45-60 minutes to complete. If you wish to access a full list of the survey questions prior to completing the survey online (for instance, in order to jot down notes, or seek internal feedback for stating your organization's official position prior to responding), please use your web browser's print menu to print each page, after first completing the contact information in question #1. You can go back to previous pages in the survey and update existing responses until the survey is finished or until you have exited the survey. After the survey is finished, you will not be able to re-enter the survey.

In addition to any written comments you may wish to submit based on the June 30, 2008 staff workshop on the expanded use of feed-in-tariffs for facilities over 20 MWs, this survey may be used to support those written comments, or in lieu of written comments, to provide your feedback regarding the expanded use of feed-in-tariffs to meet California's 33 percent renewable energy goal. Completed surveys will be stored in secure file location on the SurveyMonkey web site only accessible by Energy Commission, and designated KEMA contractor, staff. The survey will ask for your name, organization and contact information for the purpose of ensuring that Energy Commission staff can verify which stakeholder group each survey represents, and to ensure that the overall survey accurately reflects the range of stakeholders involved in the review process. In addition, completed surveys will be considered part of the public record for this proceeding. Consequently, as with any other written comment, a facsimile (or pdf) of your completed survey, with your contact information, will be posted to the Energy Commission web site under docket numbers 08-IEP-1 and 03-RPS-1078. In addition, aggregated survey results will also be posted to the Energy Commission's web site under those docket numbers. However, while your comments and contact information will be part of the public record for development of this report, they will not be used by the Energy Commission for any other purpose.

* 1. Contact Information (required)

Name:	<input type="text"/>
Organization:	<input type="text"/>
Address:	<input type="text"/>
Address 2:	<input type="text"/>
City/Town:	<input type="text"/>
State:	<input type="text"/>
ZIP/Postal Code:	<input type="text"/>
Email Address:	<input type="text"/>
Phone Number:	<input type="text"/>

2. Questions on Objectives and Measures of Success (See Chapter 1)

This section addresses appropriate policy objectives for feed-in tariffs in California, with a focus on projects greater than 20 MW.

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2. Do you perceive a need for a feed-in tariff for renewable energy facilities in each of the following size ranges?

	High	Medium	Low	None
Up to 1.5 MW?	jn	jn	jn	jn
1 MW to 20 MW?	jn	jn	jn	jn
Up to 20 MW?	jn	jn	jn	jn
Greater than 20 MW?	jn	jn	jn	jn
Up to 50 MW?	jn	jn	jn	jn
No size limits?	jn	jn	jn	jn

3. If California were to expand the use of feed-in tariffs, what broad policy objectives should it be designed to address?

To the extent that policy objectives may conflict, what is an appropriate prioritization of these objectives? Which are more important?

	High Priority	Medium Priority	Low Priority	Not an Appropriate Objective
Maximize renewable energy generation (e.g. MW or % of retail sales)	jn	jn	jn	jn
Develop certain quantity of renewable energy in a specified time period (e.g. meet specific California RPS targets)	jn	jn	jn	jn
Minimize rate impact to retail customers of meeting renewable energy objectives	jn	jn	jn	jn
Minimize transmission costs associated with meeting renewable energy objectives	jn	jn	jn	jn
Minimize renewable energy contract regulatory oversight cost	jn	jn	jn	jn
Promote a diverse mix of renewable resources through technology-specific incentives	jn	jn	jn	jn
Support smaller projects or businesses	jn	jn	jn	jn
Promote projects in specific geographic locations	jn	jn	jn	jn
Promote projects in renewable energy zones	jn	jn	jn	jn
Promote projects that can be implemented in short- to medium-term timeframe	jn	jn	jn	jn
Meet specific policy objectives already articulated in law, regulation, executive order, etc. (For example,	jn	jn	jn	jn

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California Solar Initiative,
AB 32 Greenhouse Gas
Targets, or the Governor's
biomass energy targets)
Please specify any other
objectives you wish to
identify below.

Other (please specify)

4. What measures of success would you recommend?

3. Generator/Technology Eligibility

Which technologies should be targeted under a feed-in tariff? (see Chapter 2)

5. If adopted, is it more compatible with the recommended objectives to offer feed-in tariffs for:

☐ All RPS-eligible resource types

☐ Only certain subsets of RPS-eligible resources (specify below)

☐ Only certain ownership structures (e.g. community-owned)(specify below)

☐ Other (please specify)

6. Why are these types of resources more compatible with your stated policy objectives and priorities?

4. Vintage Eligibility

Should feed-in-tariffs target specific generator vintages (existing, repowered, new)? (see Chapter 2)

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7. To further the objectives you recommended above, which of the following vintage types should be eligible for feed-in tariffs?

- ☐ All RPS generators
- ☐ New generators as of their in-service date
- ☐ Projects for the remainder of a fixed 'qualification life'
- ☐ Generators coming on-line after a specified date

Why?

8. Should feed-in-tariffs be offered for:

	Yes	No
Existing generators	<input type="radio"/>	<input type="radio"/>
Repowered generators	<input type="radio"/>	<input type="radio"/>

9. How should feed-in tariffs be coordinated with mandatory purchase rights under PURPA?

- ☐ a. Provide an alternative to a new PURPA contract?
- ☐ b. Replace existing forms of new PURPA contracts?
- ☐ Other (please explain)

5. Location Eligibility (see Chapter 2)

10. Should a generator:

- ☐ Only be eligible for a feed-in tariff offered by the utility to whom it interconnects?
- ☐ Be able to choose from available feed-in tariffs outside of the service area in which the generator is located?

Why?

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11. If a generator is allowed to choose from available feed-in tariffs outside of the service area in which the generator is located, should any generator be eligible to do so, or only generators with no local option (e.g. POU territory without feed-in tariff)?

☐ Any generator

☐ Only generators with no local option

Comments

12. If a generator is allowed to choose from available feed-in tariffs outside of the service area in which the generator is located, should the generator be eligible for only the nearest feed-in tariff?

☐ Any location

☐ Just the nearest

Comments

13. If a generator is allowed to choose from available feed-in tariffs outside of the service area in which the generator is located, should the generation need to be transmitted to the utility paying the feed-in-tariff, or should delivery be accomplished via REC's?

☐ Delivery via transmission

☐ Delivery via REC's

Comments

14. If a generator is allowed to choose from available feed-in tariffs outside of the service area in which the generator is located, should this alternative be available to generators in California or generators in all WECC states?

☐ Only generators within California

☐ Generators in all WECC states

Comments

6. Interconnecting Utility Requirements

Should feed-in tariffs be available in just IOU (investor-owned utility) territories, or both IOU and POU (publicly-owned utility) territories? (see Chapter 2)

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15. If instituted, should feed-in tariffs be established within:

- ☐ Some IOU territories
- ☐ All IOU territories
- ☐ All IOU and POU territories

Why?

16. If IOUs and POUs both offer tariffs, should the tariff eligibility, prices and other terms and conditions be exactly the same? Explain.

7. Project Size Eligibility

Should projects be limited by size? (see Chapter 2)

17. Should there be a minimum MW capacity or annual energy production threshold in order for a project to qualify for a feed-in tariff?

- ☐ Minimum MW capacity
- ☐ Minimum annual energy production
- ☐ Neither

Please explain.

18. Should there be a maximum MW capacity or annual energy production in order for a project to qualify for a feed-in tariff?

- ☐ Maximum MW capacity limit per project
- ☐ Maximum annual energy production limit per project
- ☐ Neither

Please explain.

8. Approach to Setting Price (see Chapter 3)

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19. Do your recommended objectives support value-based (see Ch. 3, p. 23) or cost-based (see Ch. 3, p. 23) setting of the feed-in tariff prices?

☐ Cost-based

☐ Value-based

Why?

20. If a California feed-in tariff price is value-based, should the tariff price (choose all that apply):

☐ Be differentiated (e.g. to reflect time of delivery)

☐ Include adders for carbon or incorporate environmental externalities

☐ Include adders for grid benefits

☐ Be based on retail electricity prices, wholesale electricity prices or avoided costs

☐ Other (please specify)

21. If a California feed-in tariff is cost-based, how should a reasonable level of profit be established?

22. If a California feed-in tariff is cost-based, should a feed-in tariff be established on a 'conservative' basis (targeting only the most competitive developers, most competitive project scale or resource quality), or an 'aggressive' basis (set high enough to allow a broad range of systems of different sizes, types, resources)? (refer to Ch. 3, p. 24)

☐ Conservative basis

☐ Aggressive basis

☐ N/A

Why?

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23. If a cost basis approach is used, should a competitive benchmark (i.e. a price arrived at with reference to a competitive process) be used to establish the cost basis? (see discussion Ch. 3, p. 26)

☐ Yes

☐ No

Why?

24. If a competitive benchmark is used, what should be the basis of the competition?

☐ All eligible source head-to-head competition

☐ Competition differentiated by type

25. If a competitive benchmark is used, what mechanism(s) should be used and how might they be applied?

☐ All prices determined through periodic auctions/solicitations

☐ Utilize a recent competitive benchmark (e.g. last utility request for offers) either directly or using an adjustment factor (e.g. a multiple, like 95% or 105% of the benchmark price)

If an adjustment should be used, what type of adjustment would you recommend?

9. Tariff Structure (see Chapter 4)

26. Should the feed-in tariff be structured as a:

☐ Fixed price over a set period of time

☐ Fixed price payment that "steps down" to a lower payment level after a specified length of time

☐ Fixed premium (e.g. fixed adder that floats on top of the actual market electricity price)

☐ Hybrid approach, for instance, in which the purchasing entity only buys only certain commodities or attributes (e.g. only energy, or only RECs)

☐ Contract-for-differences in which the payment is determined as the difference between the strike price and spot energy market price.

☐ Other (explain below)

Why?

10. Contract Duration (see Chapter 5)

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27. Are your recommended objectives best served by offering a feed-in tariff over a:

☐ Short-term (3-7 years)

☐ Medium-term (10-14 years)

☐ Long-term (15-20 years or longer)

☐ Range of contract durations, where the generator may elect the duration (within a range) which works best for the generator

☐ An indefinite period

Why?

11. Adjusting Price Over Time (see Chapter 6)

28. Are the objectives of a feed-in tariff best met by:

☐ Adjusting the price available to new generators over time

☐ Leaving the available prices unchanged indefinitely

Why?

29. If adjusting the price available to new generators over time is desired, on what basis should the price be adjusted?

☐ Inflation adjustment (e.g. tariff level periodically adjusted upwards for new and operating plants)

☐ Tariff digression (e.g. level of payment available to new plants is reduced over time)

☐ Index to change in measure of value (e.g. periodically reset tariff price available to new plants based on then-current projections of value, akin to California's market price referant approach)

☐ Other (describe below)

☐ N/A

Why?

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30. If you recommended adjusting the price, should it be changed:

☐ On a pre-established timetable

☐ Once pre-defined capacity blocks available at a specified price are exhausted (e.g. price declines once a specified number of MW have subscribed)

☐ Subject to a periodic administrative review

☐ N/A

Why?

31. If you recommended adjusting the price, are the recommended objectives best served by:

☐ Reducing the price based on estimated experience curves (e.g. empirical or projected rates of annual cost decline)

☐ In uniform predefined steps

☐ Other (describe below)

☐ N/A

Why?

12. Tariff Differentiation (see Chapter 7)

32. If adopted in California, should a feed-in tariff be differentiated (e.g. different prices offered to generators based on any of the factors identified below)?

☐ Yes

☐ No

Why?

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33. If you believe that feed-in tariffs should be differentiated, referring to Chapter 7, are your recommended objectives best served by differentiating by (you may select more than one):

- ☐ Technology type (which?)
- ☐ Project size (what size?)
- ☐ Resource quality, e.g. average wind speeds (in what manner?)
- ☐ Commercial operation date (describe)
- ☐ Ownership structure (which?)
- ☐ Transmission access (what is favored?)
- ☐ Transmission location (what is favored, or discouraged?)

Please describe your choice(s) answering the parenthetical questions as indicated.

13. What is being Sold/Purchased (see Chapter 8)

34. If feed-in tariffs are adopted, which option for products purchased under the tariff is most consistent with the recommended policy objectives?

- ☐ Bundled (all products together, e.g. energy, Renewable Energy Credits (RECs) & other environmental attributes)
- ☐ Energy only; not capacity, ancillary services or RECs
- ☐ All electric commodities, not RECs
- ☐ RECs only
- ☐ Energy (not capacity, ancillary services) + RECs
- ☐ All electric commodities + RECs, not tradable emission rights

Why?

14. Cost Distribution/Allocation (see Chapter 9)

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35. If the use of feed-in tariffs is expanded, should:

- ☐ Costs be allocated across the state
- ☐ Costs incurred within a specific utility service areas be borne only by ratepayers of that service area
- ☐ Other (specify below)
- ☐ Don't know/no opinion

Why?

36. If the use of feed-in tariffs is expanded, who should purchase the energy covered under a feed-in tariff?

(As discussed in Ch. 9, p. 49, the choice will dictate how the costs of a feed-in tariff are reflected in rates, who must administer the tariff and payments, and who must dispose of the energy purchased.)

- ☐ Retail generation service sellers (investor-owned utilities, publicly owned utilities, energy service providers, and community choice aggregators)
- ☐ Providers of transmission and distribution services to retail customers (IOUs, and if applicable, POUs)
- ☐ Don't know/no opinion

Why?

37. If costs should be reallocated, should this be accomplished by:

- ☐ Utility-to-utility monetary transfers
- ☐ CAISO as an agent
- ☐ Don't know/no opinion
- ☐ Other (please specify)

38. Should any customer classes be exempted from paying the costs associated with a feed-in tariff?

- ☐ Yes
- ☐ No, all customers should share in the costs

If so, which class(es) and why? If not, why not?

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39. Costs should be recovered through:

- ☐ Generation rates
- ☐ A separate charge on distribution rates
- ☐ Other (specify below)
- ☐ Don't know/no opinion

Why?

40. If the use of feed-in tariffs is expanded, who should be responsible for managing/overseeing cost collection:

- ☐ Regulators
- ☐ Utilities
- ☐ 3rd-Party
- ☐ Other (please specify)

15. Integration into Power Supply (see Chapter 10)

41. If the use of feed-in tariffs is expanded, how should all electric generation products be distributed:

- ☐ Be liquidated into wholesale spot electricity markets
- ☐ Be allocated to and delivered to each utility in proportion to their respective electric load
- ☐ Be incorporated into the utility's own power supply if they are delivered to a utility's system. If reallocation is necessary, allocate dollars among utilities instead of generation products
- ☐ Don't know/no opinion

Why?

16. Access (see Chapter 11)

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42. Under a feed-in tariff, should generators continue to pay for the cost of interconnecting?

☐ Generators continue to pay to interconnect

☐ Interconnection costs to be shared by all ratepayers

Explain your choice.

43. Under a feed-in tariff, should the local utilities continue to pay for upstream improvements necessary to interconnect generators, or should such costs be more broadly shared by all ratepayers?

☐ Upstream transmission improvement costs borne by local utilities and allocated to their ratepayers (as is done today)

☐ Costs shared by all ratepayers statewide

Explain your choice.

44. Should CPUC Rule 21 - which provides utility interconnection requirements for distributed generators less than 10 MW connecting to the utility distribution and sub-transmission systems - be adapted to address interconnecting feed-in tariff facilities above 10 MW to the distribution and sub-transmission systems?

☐ Yes.

☐ No.

☐ I don't know/don't have an opinion.

Why or why not?

17. Credit and Performance Assurance

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45. If a feed-in tariff is adopted with a price that declines with quantity, or for which a quantity caps applies...

What mechanisms should be considered in feed-in tariff design to minimize speculative queuing? (e.g. minimize the potential of generators to rush to get in line for feed-in tariffs) (see Chapter 6, p. 40)

- ☐ Application fee
- ☐ Security & project milestones monitored by the interconnecting utility
- ☐ Security increases with time extensions
- ☐ Other (describe below)

Why?

46. Should development security (as described in Chapter 12) be imposed under feed-in tariffs to ensure timely performance by the generator, and protect the buyer against the repercussions of a generator failing to come on-line when expected?

- ☐ Yes.
- ☐ No.
- ☐ I don't know/don't have an opinion.

Why or why not? If so, what type, at what level and in what form?

47. Should operational collateral or security (as described in Chapter 12) be imposed to protect the buyer under a feed-in tariff against the cost of replacement energy or RECs in the event a generator fails to properly maintain the generator, or seeks to get out of a contractual obligation to seek a more lucrative market?

- ☐ Yes.
- ☐ No.
- ☐ I don't know/don't have an opinion.

Why or why not? If so, what type, in what level, and in what form?

18. Quantity & Cost Limits (see Chapter 13)

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48. If the use of feed-in tariffs is expanded, should a feed-in tariff be limited (e.g. by MW or rate impact), or should it be an unlimited standard contract offer open to all generators that apply for it?

☐ Limited (e.g. capped).

☐ Unlimited (e.g. a guaranteed market regardless of the quantity responding)

☐ Don't know/no opinion

Why?

49. If limited, which approach would be most consistent with the policy objectives?

☐ A program cap based on quantity capacity (MW)

☐ A program cap based on generation (MWh)

☐ A program cost cap terminating or suspending tariff availability once a cost or rate threshold (e.g. x% rate increase) is reached

Why?

50. If a cost cap, should a tariff's availability be suspended (with a wait list) until costs subside, or terminate?

☐ Suspend.

☐ Terminate.

☐ Don't know/Don't have an opinion.

Why?

19. Policy Interaction (see Chapter 14)

51. Under what conditions would a feed-in tariff be more effective and/or efficient than existing California RPS for projects > 20 MW?

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52. What other benefits might be provided by feed-in-tariffs relative to the California RPS?

53. What benefits might be lost if the use of feed-in-tariffs is expanded?

54. If the use of feed-in tariffs is expanded to facilities greater than 20 MW, it should:

☐ Serve as a parallel mechanism to the current solicitation process

☐ Provide a limited alternative to current contracting mechanisms targeting only certain types of resources or ownership models (see question 6 to specify)

☐ Replace the existing structure entirely

☐ Other (please specify)

55. Explain your response to the previous question

56. If the use of feed-in-tariffs is designed to provide a limited alternative to competitive request for offers and bilateral contracts, which resource types or ownership models should it target? Why?

57. How should, or could, feed-in tariffs interact with the efforts of the Renewable Energy Transmission Initiative?

20. Conclusion

Thank you for taking the time to submit your comments in response to this survey. The Energy Commission appreciates the time you have taken to offer direction.